

Representative Wayne A. Harper proposes the following substitute bill:

PROPERTY TAX AMENDMENTS

2010 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions relating to property tax.

Highlighted Provisions:

This bill:

- ▶ moves the authority to fill a vacancy in the office of county assessor from the county executive to the county legislative body;
- ▶ modifies the time at which certain qualifications for a county assessor in a county of the first, second, or third class are determined;
- ▶ expands a requirement to conduct an annual update of property values using a mass appraisal system so that the requirement applies to assessors in counties of the third, fourth, fifth, and sixth class in addition to county assessors in first and second class counties;
- ▶ modifies the distribution of certain funds from the multicounty assessing and collecting levy;
- ▶ modifies a provision relating to a property tax notice that the county auditor is required to provide;
- ▶ modifies the time within which a taxpayer may file an appeal relating to the value of personal property;

1st Sub. H.B. 259



26 ▶ prohibits a person from claiming a homestead exemption for property acquired as a
27 result of criminal activity; and

28 ▶ modifies provisions relating to the multicounty assessing and collecting levy.

29 **Monies Appropriated in this Bill:**

30 None

31 **Other Special Clauses:**

32 None

33 **Utah Code Sections Affected:**

34 AMENDS:

35 **17-17-2**, as last amended by Laws of Utah 2009, Chapter 271

36 **59-2-303.1**, as last amended by Laws of Utah 2008, Chapter 301

37 **59-2-919.1**, as last amended by Laws of Utah 2009, Chapter 204

38 **59-2-1005**, as last amended by Laws of Utah 2005, Chapters 217 and 244

39 **59-2-1601**, as enacted by Laws of Utah 2008, Chapter 330

40 **59-2-1602**, as last amended by Laws of Utah 2009, Chapters 204 and 271

41 **59-2-1603**, as last amended by Laws of Utah 2009, Chapter 271

42 **59-2-1606**, as enacted by Laws of Utah 2009, Chapter 271

43 **78B-5-503**, as renumbered and amended by Laws of Utah 2008, Chapter 3



45 *Be it enacted by the Legislature of the state of Utah:*

46 Section 1. Section **17-17-2** is amended to read:

47 **17-17-2. Assessor to be state qualified -- Vacancy -- Filling vacancy.**

48 (1) (a) Except as provided in Subsection (1)(b), in addition to the requirements of
49 Section 17-16-1, any person elected to the office of county assessor after November 1, 1993,
50 shall be a state-licensed or state-certified appraiser as defined in Title 61, Chapter 2b, Real
51 Estate Appraiser Licensing and Certification Act, prior to the expiration of 36 months from the
52 day on which his term of office begins.

53 (b) Notwithstanding Subsection (1)(a), a county assessor of a county of the first
54 through third class shall be a state-licensed or state-certified appraiser as defined in Title 61,
55 Chapter 2b, Real Estate Appraiser Licensing and Certification Act, prior to [taking] filing for
56 office if the county assessor is:

57 (i) elected to the office of county assessor on or after January 1, 2010; or
58 (ii) selected to fill the vacancy of a county assessor as described in Subsection (2).
59 (2) (a) If an assessor fails to meet the requirement of this section, the assessor's office
60 is automatically vacant.

61 (b) (i) ~~[In the event of]~~ (A) If a vacancy occurs under this section, the county
62 ~~[executive]~~ legislative body shall fill the vacancy in the manner provided ~~[for]~~ in Sections
63 17-53-104 and 20A-1-508. ~~[However, a]~~

64 (B) A person selected to fill the vacancy ~~[must]~~ shall be a state-licensed or
65 state-certified appraiser ~~[within six months after]~~ before assuming the office of county assessor.

66 (ii) If a state-licensed or state-certified appraiser cannot be found to fill a vacancy
67 which resulted from the requirements of this section, the county ~~[executive]~~ legislative body
68 may contract with a state-licensed or state-certified appraiser from outside the county to fill the
69 remainder of the term in the office of county assessor.

70 Section 2. Section **59-2-303.1** is amended to read:

71 **59-2-303.1. Mandatory cyclical appraisals.**

72 (1) For purposes of this section:

73 (a) "Corrective action" includes:

74 (i) factoring pursuant to Section 59-2-704;

75 (ii) notifying the state auditor that the county failed to comply with the requirements of
76 this section; or

77 (iii) filing a petition for a court order requiring a county to take action.

78 (b) "Mass appraisal system" means a computer assisted mass appraisal system that:

79 (i) a county assessor uses to value real property; and

80 (ii) includes at least the following system features:

81 (A) has the ability to update all parcels of real property located within the county each
82 year;

83 (B) can be programmed with specialized criteria;

84 (C) provides uniform and equal treatment of parcels within the same class of real
85 property throughout the county; and

86 (D) annually updates all parcels of residential real property within the county using
87 accepted valuation methodologies as determined by rule.

88 (c) "Property review date" means the date a county assessor completes a detailed
89 review of the property characteristics of a parcel of real property in accordance with Subsection
90 (3)(a).

91 (2) (a) The county assessor shall annually update property values of property as
92 provided in Section 59-2-301 based on a systematic review of current market data.

93 (b) The county assessor [~~of a county of the first or second class~~] shall conduct the
94 annual update described in Subsection (2)(a) by using a mass appraisal system on or before the
95 following:

96 (i) for a county of the first class, January 1, 2009; [~~and~~]

97 (ii) for a county of the second class, January 1, 2011[-];

98 (iii) for a county of the third class, January 1, 2014; and

99 (iv) for a county of the fourth, fifth, or sixth class, January 1, 2015.

100 (c) The county assessor and the commission shall jointly certify that the county's mass
101 appraisal system meets the requirements:

102 (i) described in Subsection (1)(b); and

103 (ii) of the commission.

104 (3) (a) In addition to the requirements in Subsection (2), the county assessor shall
105 complete a detailed review of property characteristics for each property at least once every five
106 years.

107 (b) The county assessor shall maintain on the county's computer system, a record of the
108 last property review date for each parcel of real property located within the county assessor's
109 county.

110 (4) (a) The commission shall take corrective action if the commission determines that:

111 (i) a county assessor has not satisfactorily followed the current mass appraisal
112 standards, as provided by law;

113 (ii) the sales-assessment ratio, coefficients of dispersion, or other statistical measures
114 of appraisal performance related to the studies required by Section 59-2-704 are not within the
115 standards provided by law; or

116 (iii) the county assessor has failed to comply with the requirements of this section.

117 (b) If a county assessor fails to comply with the requirements of this section for one
118 year, the commission shall assist the county assessor in fulfilling the requirements of

119 Subsections (2) and (3).

120 (c) If a county assessor fails to comply with the requirements of this section for two
121 consecutive years, the county will lose the county's allocation of the revenue generated
122 statewide from the imposition of the multicounty assessing and collecting levy authorized in
123 Sections 59-2-1602 and 59-2-1603.

124 (d) If a county loses its allocation of the revenue generated statewide from the
125 imposition of the multicounty assessing and collecting levy described in Subsection (4)(c), the
126 revenue the county would have received shall ~~be distributed to the Multicounty Appraisal~~
127 Trust created by interlocal agreement by all counties in the state.

128 ~~[(i) be retained in the Property Tax Valuation Agency Fund for that calendar year; and]~~

129 ~~[(ii) be distributed the following calendar year in accordance with Section 59-2-1603.]~~

130 (5) (a) On or before July 1, 2008, the county assessor shall prepare a five-year plan to
131 comply with the requirements of Subsections (2) and (3).

132 (b) The plan shall be available in the county assessor's office for review by the public
133 upon request.

134 (c) The plan shall be annually reviewed and revised as necessary.

135 (6) (a) A county assessor shall create, maintain, and regularly update a database
136 containing the following information that the county assessor may use to enhance the county's
137 ability to accurately appraise and assess property on an annual basis:

138 (i) fee and other appraisals;

139 (ii) property characteristics and features;

140 (iii) property surveys;

141 (iv) sales data; and

142 (v) any other data or information on sales, studies, transfers, changes to property, or
143 property characteristics.

144 (b) A county assessor shall submit a report to the commission on or before September
145 1 stating the progress of the county assessor to meet the requirements of Subsection (6)(a).

146 (c) The commission shall report to the Revenue and Taxation Interim Committee on or
147 before the October interim meeting concerning the information received from the county
148 assessors pursuant to Subsection (6)(b).

149 Section 3. Section **59-2-919.1** is amended to read:

150 **59-2-919.1. Notice of property valuation and tax changes.**

151 (1) In addition to the notice requirements of Section 59-2-919, the county auditor, on or
152 before July 22 of each year, shall notify, by mail, each owner of real estate as defined in
153 Section 59-2-102 who is listed on the assessment roll.

154 (2) The notice described in Subsection (1) shall:

155 (a) be sent to all owners of real property by mail not less than 10 days before the day on
156 which:

157 (i) the county board of equalization meets; and

158 (ii) the taxing entity holds a public hearing on the proposed increase in the certified tax
159 rate;

160 (b) be printed on a form that is:

161 (i) approved by the commission; and

162 (ii) uniform in content in all counties in the state; and

163 (c) contain for each property:

164 (i) the value of the property;

165 (ii) the date the county board of equalization will meet to hear complaints on the
166 valuation;

167 (iii) itemized tax information for all taxing entities~~[-, including a separate statement for~~
168 ~~the minimum school levy under Section 53A-17a-135];~~

169 (A) stating:

170 ~~[(A)]~~ (I) (Aa) the dollar amount the taxpayer would have paid based on last year's rate;
171 and

172 ~~[(B)]~~ (Bb) the amount of the taxpayer's liability under the current rate; and

173 (II) for a taxing entity that proposes a tax increase that is subject to the notice and
174 hearing requirements of Section 59-2-919:

175 (Aa) the dollar amount of the taxpayer's liability if the proposed increase is approved;
176 and

177 (Bb) the percentage increase that the dollar amount of the taxpayer's liability under the
178 proposed tax rate represents as compared to the dollar amount of the taxpayer's liability under
179 the current tax rate; and

180 (iv) the tax impact on the property;

- 181 (v) the time and place of the required public hearing for each entity;
- 182 (vi) property tax information pertaining to:
- 183 (A) taxpayer relief;
- 184 (B) options for payment of taxes; and
- 185 (C) collection procedures;
- 186 (vii) information specifically authorized to be included on the notice under Title 59,
- 187 Chapter 2, Property Tax Act;
- 188 (viii) the last property review date of the property as described in Subsection
- 189 59-2-303.1(1)(c); and
- 190 (ix) other property tax information approved by the commission.

191 Section 4. Section **59-2-1005** is amended to read:

192 **59-2-1005. Procedures for appeal of personal property valuation -- Time for**
193 **appeal -- Hearing -- Decision -- Appeal to commission.**

194 (1) For personal property assessed by a county assessor in accordance with Section
195 59-2-301, the county legislative body shall include with the signed statement required by
196 Section 59-2-306 a notice of procedures for an appeal relating to the value of the personal
197 property.

198 (2) (a) If personal property is subject to a fee in lieu of tax or the uniform tax under
199 Article XIII, Sec. 2, Utah Constitution, and the fee or tax is based upon the value of the
200 property, the basis of the value may be appealed to the commission.

201 (b) For the personal property described in Subsection (2)(a), a taxpayer may make an
202 appeal relating to the value of the personal property by filing an application with the county
203 legislative body no later than [~~30~~] 60 days after the mailing of the tax notice.

204 (3) (a) After giving reasonable notice, the county legislative body shall hear an appeal
205 filed in accordance with Subsection (2) and render a written decision.

206 (b) The written decision described in Subsection (3)(a) shall be rendered no later than
207 60 days after receipt of the appeal.

208 (4) If any taxpayer is dissatisfied with a decision rendered in accordance with
209 Subsection (3) by the county legislative body, the taxpayer may file an appeal with the
210 commission in accordance with Section 59-2-1006.

211 (5) For personal property assessed by the commission in accordance with Section

212 59-2-201, a taxpayer may make an appeal relating to the personal property in accordance with
213 Section 59-2-1007.

214 Section 5. Section **59-2-1601** is amended to read:

215 **59-2-1601. Definitions.**

216 As used in this part:

217 (1) "Contributing county" means a county that:

218 (a) retains less revenue from the imposition of the multicounty assessing and collecting
219 levy within the county pursuant to Section 59-2-1603 than it collects; and

220 (b) transmits a portion of the revenue collected from the imposition of the multicounty
221 assessing and collecting levy to the Property Tax Valuation Agency Fund pursuant to Section
222 59-2-1603.

223 (2) "Contributing county surplus revenue" means an amount equal to the difference
224 between the following:

225 (a) the revenue collected by a county from imposing the multicounty assessing and
226 collecting levy during a calendar year; and

227 (b) the county's multicounty assessing and collecting allocation as calculated in
228 accordance with Subsection 59-2-1603(3).

229 (3) "County additional property tax" means the property tax levy described in
230 Subsection 59-2-1602(4).

231 (4) "Fund" means the Property Tax Valuation Agency Fund created in Section
232 59-2-1602.

233 (5) "Maximum county contribution" means an amount equal to the following:

234 (a) for a county of the first class, [~~\$500,000~~] \$300,000;

235 (b) for a county of the second class, [~~\$250,000~~] \$100,000;

236 (c) for a county of the third class, [~~\$250,000; and~~] \$100,000;

237 (d) for a county of the fourth class, [~~\$100,000;~~] \$50,000; and

238 (e) for a county of the fifth or sixth class, \$0.

239 (6) "Minimum county contribution" means an amount equal to the following:

240 (a) for a county of the first class, [~~\$250,000~~] \$300,000; and

241 (b) for a county of the second or third class, [~~\$100,000~~] \$0.

242 (7) "Multicounty assessing and collecting allocation" means the revenue to which a

243 county is entitled [~~to retain~~] from the statewide imposition of the multicounty assessing and
244 collecting levy, as determined in accordance with the calculation described in Subsection
245 59-2-1603(3).

246 (8) "Multicounty assessing and collecting levy" means a property tax rate not to exceed
247 .0002 per dollar of taxable value levied in accordance with Section 59-2-1602.

248 (9) (a) "Parcel" means an identifiable contiguous unit of real property that is treated as
249 separate for valuation or zoning purposes and includes any improvements on that unit of real
250 property.

251 (b) "Parcel" or "other parcel" does not include an item of personal property.

252 (10) "Receiving county" means a county that:

253 (a) receives a disbursement from the Property Tax Valuation Agency Fund in
254 accordance with Section 59-2-1603; and

255 (b) levies a county additional property tax of at least .0003 per dollar of taxable value
256 in accordance with Subsection 59-2-1602(4).

257 Section 6. Section **59-2-1602** is amended to read:

258 **59-2-1602. Property Tax Valuation Agency Fund -- Creation -- Statewide levy --**
259 **Additional county levy permitted.**

260 (1) (a) There is created the Property Tax Valuation Agency Fund, to be funded by the
261 revenue collected from the multicounty assessing and collecting levy as provided in Subsection
262 (3)(c) and Section 59-2-1603.

263 (b) The purpose of the multicounty assessing and collecting levy required under
264 Subsection (2) and the disbursement formulas established in Section 59-2-1603 is to promote
265 the:

266 (i) accurate valuation of property;

267 (ii) establishment and maintenance of uniform assessment levels within and among
268 counties; and

269 (iii) efficient administration of the property tax system, including the costs of
270 assessment, collection, and distribution of property taxes.

271 (c) Income derived from the investment of money in the fund created in this Subsection
272 (1) shall be deposited in and become part of the fund.

273 (2) (a) Annually, each county shall impose a multicounty assessing and collecting levy

274 not to exceed .0002 per dollar of taxable value as authorized by the Legislature as provided in
275 Subsection (2)(b).

276 (b) Subject to Subsections (2)(c), (2)(d), and (5), in order to fund the Property Tax
277 Valuation Agency Fund, the Legislature shall authorize the amount of the multicounty
278 assessing and collecting levy.

279 (c) Except as provided in Subsection (2)(d)(i)(B), the multicounty assessing and
280 collecting levy may not exceed the certified revenue levy as defined in Section 59-2-102,
281 unless:

282 (i) the Legislature authorizes a multicounty assessing and collecting levy that exceeds
283 the certified revenue levy; and

284 (ii) the state complies with the notice requirements of Section 59-2-926.

285 (d) (i) For a calendar year beginning on or after January 1, ~~[2009, the Legislature:]~~
286 2010, the multicounty assessing and collecting levy for a county of the first class is adjusted to
287 be the same rate as for a county of the second, third, fourth, fifth, or sixth class.

288 ~~[(A) shall add an additional .000010 per dollar of taxable value to the amount it~~
289 ~~authorizes for the multicounty assessing and collecting levy:]~~

290 ~~[(F) described in Subsection (2)(b); and]~~

291 ~~[(H) imposed in a county of the second through sixth class; and]~~

292 ~~[(B) is exempt from the]~~

293 (ii) The notice requirements of Section 59-2-926 [for the revenue generated within a
294 county of the second through sixth class by the .000010 per dollar of taxable value described in
295 Subsection (2)(d)(i)(A)] do not apply to the rate adjustment under Subsection (2)(d)(i).

296 ~~[(ii) The revenue generated by the additional .000010 per dollar of taxable value of the~~
297 ~~multicounty assessing and collecting levy imposed within a county of the second through sixth~~
298 ~~class shall be distributed to the counties as described in Section 59-2-1606.]~~

299 (3) (a) The multicounty assessing and collecting levy authorized by the Legislature
300 under Subsection (2) shall be separately stated on the tax notice as a multicounty assessing and
301 collecting levy.

302 (b) The multicounty assessing and collecting levy authorized by the Legislature under
303 Subsection (2) is:

304 (i) exempt from the provisions of Sections 17C-1-403 and 17C-1-404;

305 (ii) in addition to and exempt from the maximum levies allowable under Section
306 59-2-908; and

307 (iii) exempt from the notice requirements of Section 59-2-919.

308 (c) (i) Each contributing county shall transmit quarterly to the state treasurer the
309 portion of the multicounty assessing and collecting levy which is above the amount to which
310 that county is entitled to under Section 59-2-1603.

311 (ii) The revenue transmitted under Subsection (3)(c)(i) shall be transmitted no later
312 than the tenth day of the month following the end of the quarter in which the revenue is
313 collected.

314 (iii) If revenue transmitted under Subsection (3)(c)(i) is transmitted after the tenth day
315 of the month following the end of the quarter in which the revenue is collected, the county shall
316 pay an interest penalty at the rate of 10% each year until the revenue is transmitted.

317 (iv) Each contributing county that transmits to the state treasurer a portion of the
318 multicounty assessing and collecting levy in accordance with Subsection (3)(c) shall levy
319 sufficient property taxes to fund its county assessing and collecting budgets.

320 (d) The state treasurer shall deposit in the fund the:

321 (i) revenue transmitted to the fund by contributing counties;

322 (ii) interest accrued from that levy; and

323 (iii) penalties received under Subsection (3)(c)(iii).

324 (4) (a) A county may levy a county additional property tax in accordance with this
325 Subsection (4).

326 (b) A receiving county may not receive funds from the Property Tax Valuation Agency
327 Fund unless the receiving county levies a county additional property tax of at least .0003 per
328 dollar of taxable value of taxable property as reported by each county.

329 (c) The county additional property tax described in Subsection (4)(a) shall be levied by
330 the county and stated on the tax notice as a county assessing and collecting levy.

331 (d) The purpose of the county additional property tax established in this Subsection (4)
332 is to promote the:

333 (i) accurate valuation of property;

334 (ii) establishment and maintenance of uniform assessment levels within and among
335 counties; and

336 (iii) efficient administration of the property tax system, including the costs of
337 assessment, collection, and distribution of property taxes.

338 (e) A county additional property tax levy established in Subsection (4)(a) is:

339 (i) exempt from the provisions of Sections 17C-1-403 and 17C-1-404;

340 (ii) in addition to and exempt from the maximum levies allowable under Section
341 59-2-908; and

342 (iii) beginning on January 1, 2009:

343 (A) for a county that was designated as a receiving county by the state auditor during
344 the prior calendar year, subject to the notice and public hearing provisions of Section 59-2-919
345 only if the county additional property tax levied by that county levy is raised to a rate in excess
346 of .0003; and

347 (B) except as provided in Subsection (4)(f), for a county that was designated as a
348 contributing county by the state auditor during the prior calendar year, subject to the notice and
349 public hearing provisions of Section 59-2-919.

350 (f) A county additional property tax levy in a county that was not a receiving county
351 during the prior year shall be subject to the notice and public hearing provisions described in
352 Subsection (4)(e)(iii)(A) if the county would have been designated as a receiving county during
353 the prior calendar year if the county had levied a county additional property tax of at least .0003
354 per dollar of taxable value.

355 ~~[(g) For the calendar year that begins on January 1, 2009, a contributing county of the~~
356 ~~second or third class shall reduce its county additional property tax rate by .000005 per dollar~~
357 ~~of taxable value.]~~

358 (5) Subject to Subsection (6), for calendar years beginning on or after January 1, 2007,
359 the amount of the multicounty assessing and collecting levy described in this section shall be
360 reduced by an amount equal to the difference between:

361 (a) the amount of revenue budgeted:

362 (i) by each receiving county for that calendar year; and

363 (ii) for the county additional property tax levy described in Subsection (4)(a); and

364 (b) the amount of revenue budgeted:

365 (i) by each receiving county for the calendar year immediately preceding the calendar
366 year described in Subsection (5)(a)(i); and

367 (ii) for the county additional property tax levy described in Subsection (4)(a).

368 (6) The amounts described in the calculations required by Subsection (5) are exclusive
369 of new growth.

370 Section 7. Section **59-2-1603** is amended to read:

371 **59-2-1603. Disbursement of monies in the Property Tax Valuation Agency Fund**
372 **-- Use of funds.**

373 (1) The state auditor shall authorize disbursement of money from the Property Tax
374 Valuation Agency Fund to each receiving county in accordance with this section.

375 (2) Except as provided in Section 59-2-1606 and Subsection 59-2-303.1(4), money
376 derived from funds transmitted by contributing counties shall be disbursed pro rata to receiving
377 counties of the second through sixth class based upon the number of adjusted parcel units in
378 each county as determined in Subsection (3).

379 (3) (a) The state auditor shall determine the amount of each county's multicounty
380 assessing and collecting allocation in accordance with this Subsection (3).

381 ~~[(b) For a county of the first class, the county's multicounty assessing and collecting~~
382 ~~allocation shall be 94.5% of the revenue it collects from imposing the multicounty assessing~~
383 ~~and collecting levy.]~~

384 ~~[(c)]~~ (b) A ~~[For counties of the second through sixth class, a]~~ county's multicounty
385 assessing and collecting allocation shall be the product of:

386 (i) the county's adjusted parcel ratio; and

387 ~~[(ii) the amount of all revenue generated statewide by the imposition of the~~
388 ~~multicounty assessing and collecting levy.]~~

389 (ii) a base unit value of \$9.

390 (d) For purposes of this section, a county's adjusted parcel ratio shall be determined by
391 multiplying the sum of the following by the county parcel factor:

392 (i) the number of residential parcels multiplied by 2;

393 (ii) the number of commercial parcels multiplied by 4; and

394 (iii) the number of all other parcels multiplied by 1.

395 (e) For purposes of this Subsection (3), the county class factor is:

396 (i) 0.8 for a county of the first class;

397 ~~[(i)]~~ (ii) 0.9 for [counties] a county of the second class;

- 398 ~~[(ii)]~~ (iii) 1.0 for ~~[counties]~~ a county of the third class;
- 399 ~~[(iii)]~~ (iv) 1.05 for ~~[counties]~~ a county of the fourth class;
- 400 ~~[(iv)]~~ (v) 1.15 for ~~[counties]~~ a county of the fifth class; and
- 401 ~~[(v)]~~ (vi) 1.3 for ~~[counties]~~ a county of the sixth class.

402 (f) The commission shall provide the state auditor a list of each county's parcel counts
403 described in Subsection (3)(d).

404 (4) (a) A first class county shall transmit \$300,000 to the fund ~~[an amount equal to the~~
405 ~~greater of the following:]~~.

406 ~~[(i) \$250,000; or]~~

407 ~~[(ii) the lesser of the following:]~~

408 ~~[(A) 5.5% of the revenue it collects from imposing the multicounty assessing and~~
409 ~~collecting levy during a calendar year; or]~~

410 ~~[(B) \$500,000:]~~

411 (b) A second, third, or fourth class contributing county shall transmit to the fund an
412 amount equal to the following:

413 (i) if the contributing county's surplus revenue is equal to or less than the contributing
414 county's minimum county contribution, the minimum county contribution;

415 (ii) if the contributing county's surplus revenue is more than the county's minimum
416 county contribution and less than the county's maximum county contribution, the contributing
417 county's surplus revenue; or

418 (iii) if the contributing county's surplus revenue is equal to or greater than the county's
419 maximum county contribution, the contributing county's maximum county contribution.

420 (5) Money in the Property Tax Valuation Agency Fund on the 10th day of the month
421 following the end of the quarter in which the revenue is collected shall, upon authorization by
422 the state auditor, be transmitted by the state treasurer according to the disbursement formula
423 determined under Subsection (3) no later than five working days after the 10th day of the
424 month following the end of the quarter in which the revenue is collected.

425 (6) If money in the Property Tax Valuation Agency Fund on the 10th day of the month
426 following the end of the quarter in which the revenue is collected is not transmitted to a
427 receiving county within five working days of the 10th day of that month, except as provided for
428 in Subsection (5), income from the investment of that money shall be:

- 429 (a) deposited in and become part of the Property Tax Valuation Agency Fund; and
- 430 (b) disbursed to the receiving county in the next quarter.

431 (7) A county shall use money disbursed from the Property Tax Valuation Agency Fund
 432 for:

433 (a) establishing and maintaining accurate property valuations and uniform assessment
 434 levels as required by Section 59-2-103; and

435 (b) improving the efficiency of the property tax system.

436 ~~[(8) If collections from the statewide imposition of the multicounty assessing and~~
 437 ~~collecting levy are less than the amount of revenue the levy was expected to generate in a~~
 438 ~~calendar year, the state auditor shall pro rata:]~~

439 ~~[(a) decrease each receiving county's multicounty assessing and collecting allocation;~~
 440 ~~and]~~

441 ~~[(b) for each contributing county that did not transmit its maximum county~~
 442 ~~contribution to the fund during the same calendar year, increase the contributing county's~~
 443 ~~contribution to the fund.]~~

444 (8) The state auditor shall reallocate any surplus or deficit from the allocation under
 445 Subsection (3) between all receiving counties based on their adjusted parcel counts.

446 (9) A receiving county may not receive more than \$200,000 total from an allocation
 447 under Subsection (3).

448 ~~[(9)]~~ (10) If money remains in the fund after all allocations have been distributed to
 449 receiving counties in a calendar year, the state auditor shall retain the money in the fund for
 450 distribution the following calendar year.

451 Section 8. Section **59-2-1606** is amended to read:

452 **59-2-1606. CAMA system funding for counties -- Disbursements to the**
 453 **Multicounty Appraisal Trust -- Use of funds.**

454 (1) As used in this section:

455 (a) "CAMA" means computer assisted mass appraisal.

456 (b) "CAMA fee rate" means:

457 (i) \$1.50 for the calendar year that begins on January 1, 2009; and

458 (ii) for a calendar year beginning on or after January 1, 2010, the \$1.50 described in

459 Subsection (1)(b)(i) may be increased each year up to 2% at the discretion of the Multicounty

460 Appraisal Trust.

461 (c) (i) "County parcel count" means the total number of residential parcels, commercial
462 parcels, and other parcels within a county.

463 (ii) "County parcel count" does not include a county's parcel factor as described in
464 Subsection 59-2-1603(3)(d).

465 (d) "Factored parcel count" means the product of:

466 (i) a county's parcel count; and

467 (ii) the county's class factor described in Subsection 59-2-1603(3)(e).

468 (e) "Multicounty Appraisal Trust" means the Multicounty Appraisal Trust created by
469 interlocal agreement by all 29 counties in the state.

470 (2) For a calendar year beginning on or after January 1, 2009, before determining the
471 amount of each county's multicounty assessing and collecting allocation in accordance with
472 Subsection 59-2-1603(3), the state auditor shall disburse to the Multicounty Appraisal Trust an
473 amount of revenue equal to the product of:

474 (a) the sum of the factored parcel counts for all second through sixth class counties;
475 and

476 (b) the CAMA fee rate.

477 (3) (a) The funds described in Subsection (2) shall be used to provide funding for a
478 statewide CAMA system that will promote:

479 (i) the accurate valuation of property;

480 (ii) the establishment and maintenance of uniform assessment levels among counties
481 within the state; and

482 (iii) efficient administration of the property tax system, including the costs of
483 assessment, collection, and distribution of property taxes.

484 (b) The Multicounty Appraisal Trust shall determine which projects shall be funded
485 and oversee the administration of a statewide CAMA system.

486 (4) (a) Board members of the Multicounty Appraisal Trust shall be allocated based on
487 proportionate contributions under the CAMA fee rate.

488 (b) The number of members of the board of the Multicounty Appraisal Trust may not
489 exceed 15.

490 Section 9. Section **78B-5-503** is amended to read:

491 **78B-5-503. Homestead exemption -- Definitions -- Excepted obligations -- Water**
492 **rights and interests -- Conveyance -- Sale and disposition -- Property right for federal tax**
493 **purposes.**

494 (1) For purposes of this section:

495 (a) "Household" means a group of persons related by blood or marriage living together
496 in the same dwelling as an economic unit, sharing furnishings, facilities, accommodations, and
497 expenses.

498 (b) "Mobile home" is as defined in Section 57-16-3.

499 (c) "Primary personal residence" means a dwelling or mobile home, and the land
500 surrounding it, not exceeding one acre, as is reasonably necessary for the use of the dwelling or
501 mobile home, in which the individual and the individual's household reside.

502 (d) "Property" means:

503 (i) a primary personal residence;

504 (ii) real property; or

505 (iii) an equitable interest in real property awarded to a person in a divorce decree by a
506 court.

507 (2) (a) An individual is entitled to a homestead exemption consisting of property in this
508 state in an amount not exceeding:

509 (i) \$5,000 in value if the property consists in whole or in part of property which is not
510 the primary personal residence of the individual; or

511 (ii) \$20,000 in value if the property claimed is the primary personal residence of the
512 individual.

513 (b) If the property claimed as exempt is jointly owned, each joint owner is entitled to a
514 homestead exemption; however

515 (i) for property exempt under Subsection (2)(a)(i), the maximum exemption may not
516 exceed \$10,000 per household; or

517 (ii) for property exempt under Subsection (2)(a)(ii), the maximum exemption may not
518 exceed \$40,000 per household.

519 (c) A person may claim a homestead exemption in either or both of the following:

520 (i) one or more parcels of real property together with appurtenances and improvements;

521 or

522 (ii) a mobile home in which the claimant resides.

523 (d) A person may not claim a homestead exemption for property that the person
524 acquired as a result of criminal activity.

525 (3) A homestead is exempt from judicial lien and from levy, execution, or forced sale
526 except for:

527 (a) statutory liens for property taxes and assessments on the property;

528 (b) security interests in the property and judicial liens for debts created for the purchase
529 price of the property;

530 (c) judicial liens obtained on debts created by failure to provide support or maintenance
531 for dependent children; and

532 (d) consensual liens obtained on debts created by mutual contract.

533 (4) (a) Except as provided in Subsection (4)(b), water rights and interests, either in the
534 form of corporate stock or otherwise, owned by the homestead claimant are exempt from
535 execution to the extent that those rights and interests are necessarily employed in supplying
536 water to the homestead for domestic and irrigating purposes.

537 (b) Those water rights and interests are not exempt from calls or assessments and sale
538 by the corporations issuing the stock.

539 (5) (a) When a homestead is conveyed by the owner of the property, the conveyance
540 may not subject the property to any lien to which it would not be subject in the hands of the
541 owner.

542 (b) The proceeds of any sale, to the amount of the exemption existing at the time of
543 sale, is exempt from levy, execution, or other process for one year after the receipt of the
544 proceeds by the person entitled to the exemption.

545 (6) The sale and disposition of one homestead does not prevent the selection or
546 purchase of another.

547 (7) For purposes of any claim or action for taxes brought by the United States Internal
548 Revenue Service, a homestead exemption claimed on real property in this state is considered to
549 be a property right.

H.B. 259 1st Sub. (Buff) - Property Tax Amendments

Fiscal Note

2010 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals or businesses. Locals will see a reduction in the amounts contributed to the Property Tax Valuation Agency Fund.
